

Rural Research Brief

Rural Schools Under Scrutiny

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Historically, rural schools have been geographically and politically isolated to the extent that some might say that they have been the victims of, or beneficiaries from, an unstated government policy of benign neglect. Recently, conditions and relationships have changed with the enactment of state and federal accountability legislation and legal challenges to the constitutionality of state funding systems for schools. Federal concerns about the quality of teachers and the progress of students are accompanied by state standards, proficiency tests for high school graduation, and school report cards. Most of these requirements are unfunded or under-funded mandates. However, rural schools likely will benefit from the recent shift in school finance litigation from a single emphasis on equity to a dual interest in equity and adequacy. If education is a state responsibility, then in an era of state-mandated standards and assessments, the state has an inherent responsibility to ensure that students have access to the human and material resources required for them to meet standards and pass state proficiency examinations.

Throughout the nation, rural schools are under scrutiny. The school accountability movement has become a two-edged sword for rural schools. One edge of the sword is that rural schools historically have had limited oversight from state education agencies (SEAs) and have had virtually no federal controls except for those through the Office for Civil Rights and the rules and regulations related to the Individuals with Disabilities Act (IDEA). Student performance has been primarily a local concern, but the scene has changed with the enactment of the federal legislation "No Child Left Behind Act" and the resulting reporting requirements adequate yearly progress (AYP) to the school community and the SEA. The spotlight is on the school and, in particular, on the qualifications of teachers and teacher aides and on the composite academic progress of groups of students within the schools.

The opposite edge of the sword is that many rural districts likely will benefit from the recent state court decisions concerning state school finance programs. For rural districts, the key consideration is that the scope of the complaints and decisions has been expanded from a singular focus on equitable funding in state school finance programs to a dual emphasis on both equitable and adequate funding. The Kentucky decision, *Rose v. Council for Better Education, Inc.* (1989), is often referred to as the first decision in which the shift from equity to equity and adequacy occurred (Ladd et al, 1999). In contrast to equal treatment under equity, the goal of adequate funding is to ensure that state school finance programs provide the funds needed to ensure that all students have access to the programs and services needed to meet state accountability

standards. In addition to the Kentucky decision in 1989, in the same year, the plaintiffs were successful in Montana (*Helena Elementary District no. 1 v. Montana*, 1989), Wyoming (*Washakie County School District no. 1 v. Herschler*, 1989), and Texas (*Edgewood Independent School District no. 1 v. Kirby*, 1989). This expanded emphasis could potentially lead to increased funding for programs and services for rural school districts throughout the nation. To date, regardless of whether the litigation was initiated by rural or urban advocates, Dayton (2003) contends that rural schools have benefited from the litigation. For example, in the recent New York case, the original complaint was about inadequate funding for schools in New York City, but the high court's decision (*CFE vs. State of New York*, 2003) extended the coverage to all districts in the state.

Market basket research studies (Guthrie, 1979) have identified the funding levels required to provide students in all school districts with adequate funding to provide necessary programs and services. A continued reliance on research to guide public policy decisions could work to the advantage of rural schools because of diseconomies of scale and isolation. Imazeki and Rechovsky (2003) and Mathis (2003) have emphasized the importance of conducting comprehensive research studies to determine the level of funding required to provide equivalent programs and services in all schools in the state.

The current challenges to the fairness, or equity, of state school finance programs began with the Serrano decision (1971) of the California Supreme Court and were followed by the Rodriguez decision (1973) of the US Supreme Court.

The Rodriguez decision established the principles that (1) education was a state responsibility and (2) judicial relief would have to come through the provisions of the individual state constitutions and the state courts. In the intervening 30 years, litigation has been initiated in 45 states, and, of the 38 cases that have reached the state's high court, the decision has been in favor of the plaintiff in 21 states (Bennett, 2003). After reviewing 200 school finance studies, Thompson and Crampton (2002) left the reader with a question as to whether progress in school finance could be achieved in more amicable circumstances than litigation.

One of the problems with research about rural education is that there is not general agreement in the research community about the criteria that should be used in identifying rural states. Different researchers use a variety

of criteria in determining rurality; Ward (2003) used (1) the size of a state's non-metropolitan population and (2) the percentage of the population living in non-metropolitan areas. This process resulted in the identification of 31 states as rural; however, the controversy over what constitutes a rural state likely will continue. The issues center around whether or not to utilize criteria that result in the classification of New York, Pennsylvania, Illinois, Michigan, and Ohio as rural states and do not classify such states as Arizona, Colorado, Nebraska, Nevada, and Utah as rural. Jordan et al (2004) defined a state as rural when it had 15 students or less per square mile using 2000 data. Using this criterion, 29 states were identified as rural in 2000. (See Table 1.)

Table 1.

Alternative Lists of Rural States

Ward's Metropolitan/Non-Metropolitan Population Criterion		Jordan's Pupils per Square Mile Criterion	
Alaska	New York	Alabama	Nebraska
Arkansas	North Carolina	Alaska	Nevada
Georgia	North Dakota	Arizona	New Mexico
Idaho	Ohio	Arkansas	North Dakota
Illinois	Oklahoma	Colorado	Oklahoma
Indiana	Pennsylvania	Idaho	Oregon
Iowa	South Carolina	Iowa	South Dakota
Kansas	South Dakota	Kansas	Texas
Kentucky	Tennessee	Kentucky	Utah
Maine	Texas	Louisiana	Vermont
Michigan	Vermont	Maine	Washington
Mississippi	Virginia	Minnesota	West Virginia
Missouri	West Virginia	Mississippi	Wisconsin
Montana	Wisconsin	Missouri	Wyoming
New Hampshire	Wyoming	Montana	
New Mexico			

In their analysis of the impact of litigation on selected school finance variables between 1970 and 2000, Jordan et al (2004) found that, as a general pattern, education funding was more favorable in states in which there had been a high court decision on the constitutionality of the state's school finance system. This was the case regardless of whether the state's high court ruled in favor of the plaintiffs or the defendants. Compared to the national average, rural states made greater effort, but had a lower fiscal ability, lower average per pupil expenditures, lower teacher salaries, and more favorable pupil teacher ratios. Between 1970 and 2000, when compared to all states, rural states had above average mean increases in fiscal ability, average teacher salaries,

and share of school funds from state revenue sources; rural states also had greater decline in pupil teacher ratio.

Some of these changes may be the results of school finance judicial decisions that have required states to enact school finance programs that address both equity and adequacy in the state's system for funding schools. In this era of accountability, one of the public policy issues becomes the extent to which a state is willing to provide the level of funding required to attract and retain a qualified teaching staff and ensure that youth in small schools have access to the necessary programs and services to ensure that they meet state academic standards. Due to this new focus and its potential impact on allocation of state funds, education budgets likely will

be subjected to greater scrutiny from state legislators and their staff, particularly in states where there is pressure for conservative tax policies including tax and expenditure controls.

The result of the past three decades of school finance litigation has been the increasing reliance on state revenue sources to fund K-12 public education. Because of the increasing demands for state resources from other state funded services such as social services, healthcare, and prisons, a potential public policy issue may be whether the small school district and/or small school is "necessary" in light of geographical isolation, topography, or sparse population, or is an artifact of history.

The Digest of Education Statistics 2000 (Snyder & Coffman, 2001) reported that in the early 1900s, local revenues were the primary source of funding for schools. In 1919-20, the national average was that 83.2% of school revenues came from local tax sources; this pattern continued until 1949-50 when the local share dropped to 58.3% and the state share increased from 16.5% in 1919-20 to 36.9% in 1949-50. By the 1999-2000 school year, the local share had declined to 43.2% and the state share had increased to 49.5%.

As the state's share of school revenues increased, state-level policy makers became concerned about the large number of small districts that in many occasions had limited taxable wealth or had very high levels of taxable wealth; some of the latter did not even operate schools and kept their tax rates low by paying transfer tuition to other districts for the education of their children. Between 1939-40 and 1979-80, the number of school districts in the nation declined from over 117,000 to just over 15,000 (Snyder & Coffman, 2001). The number of districts has remained relatively constant for the past 25 years. This consolidation of school districts was the result of more stringent state legislation that reduced the number of non-operating districts and the voluntary and mandatory consolidation of low enrollment districts. The result was a more equitable treatment of taxpayers and expanded educational opportunities for youth; however, research has indicated that significant cost savings have not occurred with consolidation (Guthrie, 1979; Ornstein, 1990).

Juxtaposed to these developing concerns, authors such as Howley and Bickel (1999) have questioned the benefits of school consolidation; they have contended that small schools and small communities contribute to greater democratic inclusion, better social adjustment, and the enhanced ability to overcome the effects of poverty. In this discussion, there is general agreement that the school often is the cornerstone of small communities.

In a review of school size, school climate, and student performance (Cotton, 1996), found that a variety of researchers had concluded that "small schools produce equal or superior achievement for students in general; the effects of small schools on the achievement of ethnic

minority students and students of low socioeconomic status are the most positive of all".

In his overview of issues related to the financing of small schools, Mathis (2003) discussed school and district size, staffing challenges, housing for staff, educationally obsolete facilities, declining enrollments, transportation, and staffing and programs for special needs youth in small numbers. Debates likely will continue about the social benefits of small schools in rural areas, and policy-makers will continue to debate such issues as "how small is too small" and "what criteria should be used to classify a school as isolated or necessary".

In summary, the literature provides the basis for several observations:

1. Accountability in education has become the watchword from both the state and federal governments, and will likely have a long life.
2. If school finance litigation continues its recent trend toward an increased emphasis on adequate funding for schools, greater attention will be given to the cost of delivering equivalent educational programs and services to rural school districts.
3. As the social service needs of the population increase during an era of scarce resources, public education will be confronted with increased competition for limited resources as greater attention is given to economies of scale and efficiency.
4. Rural schools and rural school districts will need to expand the use of collaboratives or cooperatives so that (a) they will have increased capacity to meet accountability standards, and (b) they can influence state and federal education policies and legislation related to the interests and issues of rural schools and school districts.

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